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5 **IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON**  
6 **IN AND FOR THE COUNTY OF KING**  
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8 PIERCE COUNTY, a local government in the State )  
9 of Washington; GLORIA IRENE THEIN, a )  
10 resident of Pierce County; CITY OF TACOMA, a )  
11 local government in the State of Washington; )  
12 WILLIAM LaBORDE, a resident of Pierce County; )  
13 KING COUNTY, a local government in the State )  
14 of Washington; KAREN UFFELMAN, a resident )  
15 of King County, )

16 Plaintiffs,

17 and

18 CENTRAL PUGET SOUND REGIONAL )  
19 TRANSIT AUTHORITY (a/k/a "SOUND )  
20 TRANSIT") et al., )

21 Intervenor Plaintiffs,

22 vs.

23 STATE OF WASHINGTON, in its general )  
24 capacity as defender of I-776, and through its )  
25 agency the Washington Department of Licensing, )  
26 Defendant,

27 and

28 SALISH VILLAGE HOME OWNERS )  
29 ASSOCIATION, a Washington non-profit )  
30 association, and DENNIS VAUGHN, a citizen )  
31 and taxpayer resident of King County, )

32 Intervenor Defendants,

33 and

34 PERMANENT OFFENSE

35 Intervenor Defendant.  
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No. 02-2-35125-5 SEA

**ORDER GRANTING SOUND TRANSIT'S  
MOTION FOR PARTIAL SUMMARY  
JUDGMENT AND DENYING  
INTERVENOR DEFENDANTS' MOTION  
FOR PARTIAL SUMMARY JUDGMENT**

1           THIS MATTER came before the undersigned judge on cross motions for summary  
2 judgment. The court considered the following pleadings:

- 3           1.     Sound Transit's Motion for Partial Summary Judgment,
- 4           2.     Declaration of Paul Matsuoka (December 24, 2002),
- 5           3.     Second Declaration of Paul Matsuoka (September 27, 2004),
- 6           4.     Declaration of Jeffrey D. Brown and accompanying exhibits (September 24,
- 7                   2004),
- 8           6.     Declaration of Brian McCartan and accompanying exhibits,
- 9           7.     Declaration of Jeffrey Anderson and accompanying exhibits,
- 10          8.     Declaration of Desmond L. Brown and accompanying exhibits,
- 11          9.     Intervenor Defendants' Motion for Partial Summary Judgment,
- 12          10.    Declaration of James Klauser and accompanying documents,
- 13          11.    Sound Transit's Response to Intervenor Defendants' Motion for Partial Summary  
14 Judgment,
- 15          12.    Second Declaration of Jeffrey D. Brown (October 18, 2004),
- 16          13.    Intervenor Defendants' Response to Intervenor Plaintiff Sound Transit's Motion  
17 for Partial Summary Judgment,
- 18          14.    Declaration of Thomas A. Rubin in Support of Intervenor Defendants' Response  
19 to Intervenor Plaintiff Sound Transit's Motion for Partial Summary Judgment,
- 20          15.    Second Declaration of James Klauser,
- 21          16.    State of Washington's Response to Motions for Partial Summary Judgment filed  
22 by (1) Intervenor Defendants Salish Village Condominium Association and Permanent Offense  
23 and (2) Plaintiff Intervenor Sound Transit,
- 24          17.    Reply in Support of Sound Transit's Motion for Partial Summary Judgment,
- 25          18.    Intervenor Defendants' Reply to Intervenor Plaintiff Sound Transit's and  
26 Defendant the State's Responses to Motion for Partial Summary Judgment,
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- 1 19. Third Declaration of James Klauser,
- 2 20. Second Declaration of Thomas A. Rubin,
- 3 21. Declaration of Jack Fagan,
- 4 22. Declaration of Mike Fagan,
- 5 23. Declaration of G. Dennis Vaughan, and
- 6 24. The remaining pleadings in this case.

7 Based on review of the above-referenced pleadings and argument of counsel, the court  
8 being fully informed reaches the following conclusions:

9 A. The basic validity of Initiative 776 has been confirmed by the State Supreme  
10 Court. The Initiative's language limiting the annual MVET on most vehicles to \$30.00 per year  
11 effectively prevents the imposition of any additional MVET in any portion of the state except the  
12 Sound Transit district. I-776 prevents Sound Transit from increasing its MVET and collection of  
13 the existing tax will cease as soon as the bond obligations are satisfied.

14 B. Sound Transit pledged its MVET as security for the repayment of its 1999 Bond  
15 Series.

16 C. Sound Transit has met its burden of showing that its bondholders expect continued  
17 collection of the MVET as part of the financial framework that induced them to purchase the  
18 Series 1999 Bonds issued by Sound Transit and that I-776 negatively impacts this financial  
19 framework.

20 D. I-776 impairs Sound Transit's ability to fulfill its express contractual obligation to  
21 bondholders to collect the MVET pledged to secure the Sound Transit Bonds.

22 E. I-776 unconstitutionally impairs the contract between bondholders and Sound  
23 Transit and violates Article 1, § 23 of the Washington Constitution.

24 F. Article 1, § 23 of the Washington Constitution bars repeal of the Sound Transit  
25 MVET so long as the Sound Transit Bonds remain outstanding.

1 G. Sound Transit is not required to retire the Sound Transit Bonds prior to their  
2 maturity, and this court may not rewrite the bond contract to require early retirement. The  
3 Supreme Court held that the language of I-776 regarding the Sound Transit Bonds was merely a  
4 precatory policy statement without binding effect. This court has no authority to order early  
5 retirement of the bonds, nor the power to direct how Sound Transit spends the MVET funds.

6 H. Regardless of whether this case presented a proper forum to challenge the  
7 formation of Sound Transit, the 1994 amendments to RCW 82.112.030 were properly enacted  
8 and constitute the operative law, pursuant to which Sound Transit was validly formed.

9 I. Revenue from the local option taxes was properly pledged to secure repayment of  
10 the Sound Transit Bonds pursuant to the authority granted in chapters 39.46, 81.104, and 81.112  
11 RCW.

12 J. Laches bars the current challenge to the formation and pledging authority of  
13 Sound Transit, and  
14


15 K. There are no disputed material facts before the court, and Sound Transit is entitled  
16 to judgment as a matter of law.

17 Accordingly, it is ORDERED that

18 Sound Transit's Motion for Partial Summary Judgment is GRANTED, and

19 Intervenor Defendants' Motion for Partial Summary Judgment is DENIED.

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21 IT IS SO ORDERED this 5<sup>th</sup> day of November, 2004.

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25 Judge Mary I. Yu  
26 KING COUNTY SUPERIOR COURT  
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